

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
)	
LightSquared Technical Working)	IB Docket No. 11-109
Group Report)	DA 12-214
)	
)	
and)	
)	
LightSquared Subsidiary LLC)	File No. SAT-MOD-20101118-00239
Request for Modification of its)	
Authority for an Ancillary Terrestrial)	
Component)	

REPLY COMMENTS OF THE LENDER PARTIES

Drawbridge Special Opportunities Advisors LLC, on behalf of its and its affiliates' managed funds and/or accounts, Knighthead Capital Management, LLC, solely on behalf of certain funds and/or accounts it manages and/or advises, and Redwood Capital Management, LLC, on behalf of funds and/or accounts (collectively, the "Lender Parties") hereby offer the following reply comments in connection with the *Public Notice* released by the FCC's International Bureau in the above-captioned proceedings ("*Public Notice*").¹

The Lender Parties support the Comments in Opposition of LightSquared in this proceeding,² and oppose the actions proposed in the *Public Notice*. The Lender Parties provided

¹ *Public Notice*: International Bureau Invites Comment on NTIA Letter Regarding LightSquared Conditional Waiver, IB Docket No. 11-109, DA 12-214 (rel. Feb. 15, 2012).

² See Comments in Opposition of LightSquared Inc. (Mar. 16, 2012).

capital to LightSquared so that LightSquared can deploy a nationwide 4G LTE network by 2015, as the Commission required. They now confront the prospect of that investment being stranded by an arbitrary and unwarranted regulatory process.

The precipitous elimination of LightSquared's network is not in the public interest. The Lender Parties confront precisely the same inequity that LightSquared itself confronts. They relied upon a basic legal framework that was established by a final Commission order almost seven years ago, after a multi-year rulemaking process, and a licensing process in which the GPS industry itself provided support for the grant of LightSquared's ATC authority that the *Public Notice* now seeks to terminate. For the Commission to proceed on its current course would send an ominous signal to future sources of capital considering investments in United States telecommunications infrastructure. As one party has stated in an apt analogy: "No one in their right mind would fund the building of a new skyscraper, if the building permit has a chance of being pulled at the last minute. With this LightSquared debacle, the FCC has a credibility problem – who will spend billions again, knowing that the FCC may rescind the frequency at the last minute?"³

The actions proposed in the *Public Notice* also plainly are overbroad and do not warrant the suspension or modification of LightSquared's entire ATC authority. For example, the Commission's record does not contain any evidence that GPS receivers are incompatible with use of the 1626.5 to 1660.5 MHz "uplink" portion of the L band by mobile user terminals. As a result, at the minimum, the Commission should take no action to remove the ATC authority from the "uplink" portion of the L band, at least until more testing has been completed.

³ Comments of Advanta (Mar. 16, 2012) at 2.

This observation is important. The Commission inexplicably has reversed course in promoting wireless broadband deployment in the MSS L band generally, and in fostering LightSquared's deployment specifically, even though the administrative record suggests that (i) portions of LightSquared's spectrum are viable for terrestrial operations without any prospect of adverse effects on GPS, and (ii) more technical work by the parties can produce an acceptable accommodation to all affected interests.

Consistent with the mandate of the *Conditional Waiver Order* that the GPS industry work with LightSquared to provide "recommendations on steps that can be taken going forward to permit broadband wireless services to be provided in the L-Band MSS frequencies,"⁴ the Lender Parties urge the Commission to continue to drive toward a compromise that will permit LightSquared to fulfill its promise of wireless broadband deployment and enable the coexistence of GPS receivers as necessary and appropriate.

Respectfully submitted,

-/s/-

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⁴ *LightSquared Subsidiary LLC*, 26 FCC Rcd 566 (Int'l Bur. 2011), ¶ 42.